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MINUTES

March 17, 2004

At 9:05 a.m. Commissioner Wiles called the meeting to order. Commissioners John Wiles, Michael Ortner, Shawn Lyons, Ralph Kemnitz and Karl Fischer were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; and Craig Sparrow, Director of Enforcement and Operations.

RULES HEARING

All rule changes addressed on pages 1-9 in the meeting packet were discussed. Commissioner Kemnitz moved to approve all additions and amendments to the rules. Commissioner Lyons seconded the motion and it passed unanimously.

ADMINISTRATIVE HEARINGS

The court reporter for the hearings was Cynthia Weichmann. The following cases were scheduled to be heard:

- Full House Inc. - Petition for Declaratory Ruling
- > Racing Services Inc. - Petition for Declaratory Ruling
- Terry Fonder and Dale Peltier - Confiscated Gaming Devices
- Bullock Express - Petition for Declaratory Ruling
- Major Gaming LLC - Petition for Declaratory Ruling
- Justin Chidester - Denial of Support License
- Bryan L. Davis - Denial of Support License
- Steven Ratchick - Denial of Support License

The petition for a declaratory ruling for Full House, Inc. and Racing Services Inc. are to be held over until April 8, 2004.

A stipulation and agreement has been entered into between Michael Shaw, counsel for the, SD Commission on Gaming, and attorney for Mr. Fonder and Mr. Peltier for the disposition of the seized gaming devices. Commissioner Ortner moved to accept the

stipulation and destroy the gaming devices. Commission Fischer seconded the motion and it passed unanimously.

Commissioner Wiles appointed Commissioner Kemnitz as the hearing officer in the matter of the petition of declaratory ruling for Bullock Express. Bullock Express is requesting a second building designation and an inner access variance. Upon completion of the hearing the disposition of the matter was referred for discussion in executive session.

Commissioner Wiles appointed Commissioner Ortner as the hearing officer in the matter of the petition of declaratory ruling for Major Gaming LLC. Major Gaming is requesting a third building designation and an inner access variance. Upon completion of the hearing the disposition of the matter was referred for discussion in executive session.

Commissioner Wiles appointed Commissioner Kennitz as the hearing officer in the matter of Justin Chidester. Upon completion of the hearing the disposition of the matter was referred for discussion in executive session.

Commissioner Wiles appointed Commissioner Ornter as the hearing officer in the matter of Bryan L. Davis. Upon completion of the hearing the disposition of the matter was referred for discussion in executive session.

Commission Wiles appointed Commissioner Kemnitz as the hearing officer in the matter of Steven Ratchick. Upon completion of the hearing the disposition of the matter was referred for discussion in executive session.

GENERAL MEETING

Upon completion of the administrative hearings Commissioner Wiles called the general meeting to order.

Presentations

Advanced Gaming of Ft. Pierre, South Dakota demonstrated the table game HI-LO Bonus for the Commissioners.

Andy Comer of Gaming Laboratories International (GLI) presented information on services GLI provides.

December 10, 2003 Minutes of the Meeting

Commissioner Ortner moved to adopt the minutes drafted for the December 10, 2003 meeting. Commissioner Fischer seconded the motion and it passed unanimously.

Stipulation of Assurance of Voluntary Compliance

Commissioner Ortner moved to approve the Stipulation and Assurance of Voluntary Compliance from Kenneth Keller. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to approve the Stipulation and Assurance of Voluntary Compliance from Donald Fitzgerald. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve the Stipulation and Assurance of Voluntary Compliance from Four Aces. Commissioner Fischer seconded the motion and it passed unanimously.

Racing Officials

Commissioner Fischer moved to approve the appointment of racing officials listed in the meeting packet on page 44. Commissioner Ortner seconded the motion and it passed unanimously.

Resolution

Commissioner Lyons moved to approve Resolution Number 03-17-04 as shown in the meeting packet on page 45. Commissioner Ortner seconded the motion and it passed unanimously.

Waiver of Bond for Live Tracks

Commissioner Ortner moved to waive bond for the Verendrye Benevolent Association and the Northeast Area Horse Racing Inc. Commissioner Fischer seconded the motion and it passed unanimously.

Licensing

Commissioner Lyons moved to approve all Key Licenses listed in the meeting packet on page 48. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve renewal of Key Licenses listed in the meeting packet on pages 48. Commissioner Kemnitz seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve Associated Persons listed in the meeting packet on page 48. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve Susan Lieberman as an additional owner on the distributors License of Lieberman Music Company (01 11-DS). Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve assignment of a Retail License belonging to Tim and Monica Conrad (003 1-RT) to the B.B. Cody's location. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve Southwest Casino's (0283-RT, 0284-RT and 0345-RT) to unassigned status as of 3/17/04. Commissioner Fischer seconded the motion and it passed unanimously.

Executive Session

Commissioner Lyons moved to retire to executive session. Commissioner Ortner seconded the motion and it passed unanimously.

Upon completion of executive session Commissioner Fischer moved to return to general session. Commissioner Ortner seconded the motion and it passed unanimously.

Decisions on Hearings

Commissioner Ortner moved to approve a second building designation and an inner access variance to include a water curtain for Bullock Express. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to approve a third building designation and an inner access variance to include a water curtain between the east/west access, and the east/north access for Major Gaming, LLC. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Ortner moved to deny Justin Chidester's gaming license. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to deny Bryan Davis' gaming license. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Ortner moved to deny Steven Ratchick's gaming license. Commissioner Fischer seconded the motion and it passed unanimously.

Election of Officers

Commissioner Wiles announced that he was resigning as Chairman of the Commission because this was the last regular meeting of his term.

Commissioner Ortner moved to elect Commissioner Kemnitz as Chairman of the Commission. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Lyons moved to elect Commissioner Ortner as Vice Chairman of the Commission. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Wiles adjourned the meeting.

Respectfully Submitted,

Teri Ertman



Ralph Kemnitz, Chairman

Larry B. Eliason, Executive Secretary